

Waste Management

The waste generated in mining production and operation includes both hazardous waste and non-hazardous waste. The hazardous waste generated by the Company mainly consists of waste engine oil and waste batteries and is entrusted to qualified third-party organizations for centralized disposal.

In accordance with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (2020 Revision)*, the *National Hazardous Waste List*, the *Pollution Control Standards for General Industrial Solid Waste Storage and Landfill (GB18599-2020)*, and the *Pollution Control Standards for Hazardous Waste Storage (GB18597-2001)*, the Company has formulated the Solid Waste Management System to comprehensively manage its solid waste and maximize resource utilization. We invested in and established the Luoyang Hongfa Building Material Aggregate Company in the Ying Mining District, effectively easing pressure on waste rock storage in the area, reducing land use, and reducing environmental restoration and land reclamation costs by turning waste rock into building material aggregate to achieve the comprehensive utilization of waste rock. In Fiscal 2022, Hongfa Company processed a total of 380,000 tonnes of waste rock and realized a sales revenue of \$2.1 million.

To manage the domestic waste generated by the employees' living and working in the mining area, we signed the *Agreement on Domestic Waste Transfer and Disposal* with qualified organizations approved by the government for centralized

cleaning and disposal. Domestic waste generated by our contractor's working crews are also centrally disposed in this way to help them reduce cost while ensuring better environmental supervision and management of the mining area.



Established Hongfa Co., Ltd. effectively utilizing of waste rock from Ying Mining District

Waste Discharge and Disposal	Fiscal 2022		
	Ying Mining District	GC Mine	Total
Hazardous waste (tonnes)	22.88	3.67	26.55
Including: Waste oil (tonnes)	3.35	3.67	7.02
Waste batteries (tonnes)	19.53	0	19.53
Non-hazardous waste (tonnes)	1,207,846	181,356	1,389,202
Including: Tailings not used as backfill (tonnes)	608,508	181,160	789,668
Waste rock not recycled or used as backfill (tonnes)	599,131	0	599,131
Other non-hazardous waste (tonnes)	207	196	403
Domestic waste to landfill (tonnes)	733	52	785

Actions in Fiscal 2022



Standardized the IoT application for hazardous waste management, achieving whole-process monitoring of the stock-in, stock-out, and transfer of hazardous wastes, and the management and supervision of regular storage and transfer of domestic waste through the Eblog App.



Henan Found commissioned BGRIMM Technology Group to carry out research on the comprehensive utilization of tailings (such as building materials or for making handicrafts, etc.) so as to create economic benefits while reducing the amount of tailings.



Guangdong Found's *Full Tailings Cemented Filling System Project* was shortlisted for the 2021 Guangdong Province Special Fund Project for Pollution Prevention and Control (Cleaning Transformation Project) and received a special subsidy of \$0.2 million.

Overburden, Rock, and Tailings	Fiscal 2022		
	Ying Mining District	GC Mine	Total
Tailings (tonnes)	608,508	283,481	891,989
Waste rock (tonnes)	974,265	220,562	1,194,827
Tailings used as backfill (tonnes)	0	102,321	102,321
Waste rock recycled (tonnes)	375,134	220,562	595,696
Tailings not used as backfill (tonnes)	629,163	179,224	808,387
Waste rock not recycled or used as backfill (tonnes)	599,131	0	599,131
Comprehensive utilization rate of tailings (%) ^{Note1}	-	36.09	11.47
Comprehensive utilization rate of waste rock (%) ^{Note2}	38.5	100	49.86

Note1: Comprehensive utilization of tailings = tailings not used as backfill / total amount of tailings

Note2: Comprehensive utilization rate of waste rock = waste rock not recycled or used as backfill / total amount of waste rock